



more choice | more style

Franchise Information

Concept Background

Readerwear Reading Glasses is Canada's first specialty retailer of ready-to-wear reading glasses. The first location opened in 2001.

Readerwear offers an unprecedented assortment of ready readers in its locations, in a range of lens strengths from +0.75 to +4.00.



Reading glasses are the fastest growing segment of the optical industry, due to the aging of the Baby Boomer demographic. Readerwear positions itself in the marketplace by offering better quality and fashion than traditional drug store product, while maintaining a lower price point than having reading glasses custom made.

Owning a Readerwear Store

What is Readerwear looking for in a franchisee?

Successful franchisees are motivated individuals with good people and organizational skills. Retail experience is preferred, however, is not required if you have other business or management skills that could be applicable. Potential franchisees must have a minimum of \$15,000 in

liquid capital, and a net worth of \$100,000.

How Much Time is involved in operating a Readerwear Store?

A Readerwear store is like any other retail business: it requires a substantial amount of time to make it a success. There is no substitute for the commitment required to properly manage a Readerwear location. Success will be achieved by owners that are dedicated and allocate adequate time for managing and marketing their business. You will be given the tools and support necessary to help you manage and operate your business.

Franchising

Types of Franchises Available

Single store franchises are available for qualified franchise candidates. For franchisees with multiunit retail experience, or equivalent business experience, multiunit territories are available.

Future expansion to multiple units is available for single unit franchisees in good standing.



Franchisee Fee

The franchise fee is \$10,000, paid in two instalments. The initial \$1,000 reservation holds a territory for 30 days, while we review your franchise application. Upon a consensus agreement among Readerwear management, the candidate will be awarded a franchise. At that time, the franchisee will sign the franchise agreement and pay the remaining \$9,000 of the franchise fee. If the franchise is not awarded, the prospect will be refunded \$800 of the reservation agreement. The franchise agreement terms are 10 years, renewable for an additional 10 years. The renewal fee is 10% of the then current franchise fee.

Total Investment

The total investment required to open a Readerwear location varies depending on square footage and location.

Investment ranges from \$140,000 to \$180,000. These figures are based on historical data from opening Readerwear company owned stores. The total investment includes the franchise fee, leasehold improvements, furniture, fixtures, computer equipment, software, signage, insurance, initial inventory and working capital.

Due to ever-changing conditions, local construction procedures and regulations, there can be no guarantee that costs will not exceed those shown.

Financing

Readerwear Inc. does not provide any financing to franchisees; however, we can work with you in preparing your business plan for a lender.



Royalties

Royalties are two percent (2%) of gross sales, excluding sales taxes. There is a two percent (2%) contribution to the advertising fund. The money received into the advertising fund is used to develop in-store point-of-purchase materials, advertising materials, radio commercials, design/creative services, and other production services used to drive sales and local awareness.

Training and Support

Readerwear Training and Support begins with a comprehensive training period at a Readerwear training facility. During initial training,

you will become familiar with the history of Readerwear and the importance of our philosophy and concept positioning. You will become thoroughly immersed in our operations manual, which details standard operating procedures for all facets of operating and managing a Readerwear location.

As a Readerwear Franchisee, you will also get business management training which includes training for our POS System, inventory management, labour controls, product cost analysis, and much more. You will be trained in a hands-on, real world environment.

When your opening week arrives, our experienced training staff will come to your location to assist you through your initial opening period. After you have opened, our Franchise Business Team will continue to make regular on-site visits. From P&L management to operations to marketing, our team will provide analysis, constructive correction, and will assist you in your efforts to achieve even greater levels of success. In addition you will have access

to our Franchisee Web Site, which serves as a repository for a wide range of business operations and marketing information.

Product

As a franchisee you will have access to Readerwear's strong buying network. With this you will gain access to extensive network resources, including preferred national vendors who offer our stores discounts and exclusive products as well as Readerwear private label product. Our buying and merchandising experts assist with ordering and managing inventories, merchandising displays, and much more.



Earnings

Income level is dependent upon sales volume, cost of investment, how well you manage your Readerwear store, and how well you control costs. Because of these variables, there is a range in the amount of profit or loss you might expect. Each community provides a unique situation, which makes it extremely difficult to project income levels.

Readerwear will disclose sales and cost information from its company owned locations after proceeding to the next level.

While Readerwear cannot guarantee your earnings, we believe that the success of your store will depend greatly upon how you monitor and control expenses (product cost, payroll etc.). Readerwear will provide the tools for day-to-day operational analysis, and will "be there" to provide ongoing support and to answer questions that you will inevitably have as you become more and more familiar with our concept.



Store Locations

Readerwear locations consist of retail stores with a street front location. Lease space is going to vary depending on economic conditions, competition for space, and the size of the target market in the area.

Upon signing the franchise agreement we will provide you with site selection criteria. We will assist you in researching and selecting your location and will provide input as you negotiate your lease. It is a generally accepted industry practice for you to provide us a list of sights that meet our criteria. Once we have that information we will analyze and visit those locations to determine the possibility of approval.

Construction

A Readerwear store typically requires between 700 and 1000 square feet of space. It is often difficult to dictate the exact size of space, since inline construction varies greatly. Readerwear Reading Glasses Inc. maintains control over sight plans and store layout. This is done to maintain a quality, consistent design, and also helps us to maintain operational efficiencies.

Once you have been awarded a franchise, Readerwear will supply to you one set of drawings that most closely relates to the unit that you will be opening. These are not your final blueprints; rather,

they serve as a general guide to the type of construction and style requirements for a Readerwear location. It is important that we maintain this look at any given space. In addition, we will work with you every step of the way to ensure a smooth construction and pre-opening phase.

Additional Information

For additional information about a Readerwear franchise, or to request a franchise application kit, please contact Wayne Yarrow at franchising@readerwear.com or by calling him at 604.733.3801.



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